



October 5, 2011

Honorable Harry Reid  
Majority Leader  
United States Senate  
Washington, DC 20510

Dear Mr. Leader:

As you requested, CBO has estimated the effects of spending provisions in S. 1549, the American Jobs Act of 2011, as introduced in the Senate on September 13, 2011. On a preliminary basis, CBO estimates that, in total, those provisions would increase direct spending by about \$175 billion over the 2012-2021 period (see enclosed table). Most of that spending would occur during the next five years (fiscal years 2012 through 2016).

CBO and the staff of the Joint Committee on Taxation are in the process of completing a comprehensive cost estimate for S. 1549, including revenue effects; we expect to issue that estimate in the next few days.

If you wish further details on this estimate, we will be pleased to provide them. The primary CBO staff contact is Theresa Gullo.

Sincerely,

A handwritten signature in black ink that reads "Douglas W. Elmendorf".

Douglas W. Elmendorf

Enclosure

cc: Honorable Mitch McConnell  
Republican Leader

**PRELIMINARY ESTIMATE OF DIRECT SPENDING UNDER S. 1549, THE AMERICAN JOBS ACT OF 2011, AS INTRODUCED**

	By Fiscal Year, in Millions of Dollars										2012-	2012-
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2016	2021
<b>Title I. Relief for Workers and Businesses - Surety Bonds</b>												
Estimated Budget Authority	3	0	0	0	0	0	0	0	0	0	3	3
Estimated Outlays	*	*	*	0	0	0	0	0	0	0	1	1
<b>Title II. Workers Back on the Job</b>												
<b>Subtitle B- Teacher Stabilization</b>												
Estimated Budget Authority	30,000	0	0	0	0	0	0	0	0	0	30,000	30,000
Estimated Outlays	10,500	9,000	6,000	4,200	300	0	0	0	0	0	30,000	30,000
<b>Subtitle C- First Responders</b>												
Estimated Budget Authority	5,000	0	0	0	0	0	0	0	0	0	5,000	5,000
Estimated Outlays	420	1,600	1,350	1,000	620	0	0	0	0	0	4,990	4,990
<b>Subtitle D - School Modernization</b>												
Estimated Budget Authority	30,000	0	0	0	0	0	0	0	0	0	30,000	30,000
Estimated Outlays	3,000	10,500	10,500	4,500	1,500	0	0	0	0	0	30,000	30,000
<b>Subtitle E - Immediate Transportation</b>												
Estimated Budget Authority	50,000	0	0	0	0	0	0	0	0	0	50,000	50,000
Estimated Outlays	4,280	10,500	9,910	8,690	5,780	4,190	2,860	1,500	1,310	580	39,160	49,600
<b>Subtitle F - Infrastructure, Long Term</b>												
Estimated Budget Authority	10,000	0	0	0	0	0	0	0	0	0	10,000	10,000
Estimated Outlays	10	50	200	500	750	900	1,000	1,000	1,250	1,250	1,510	6,910
<b>Subtitle G - Project Rebuild</b>												
Estimated Budget Authority	15,000	0	0	0	0	0	0	0	0	0	15,000	15,000
Estimated Outlays	300	4,800	6,000	2,700	900	150	0	0	0	0	14,700	14,850
<b>Subtitle H - National Wireless</b>												
Estimated Budget Authority	1,535	1,280	-488	-1,950	-2,851	-4,115	-3,645	-1,370	-1,920	-2,270	-2,474	-15,794
Estimated Outlays	1,439	1,325	-537	-1,974	-2,866	-4,030	-3,608	-1,357	-1,917	-2,269	-2,613	-15,794
<b>Subtotal, Title II</b>												
Estimated Budget Authority	141,535	1,280	-488	-1,950	-2,851	-4,115	-3,645	-1,370	-1,920	-2,270	137,526	124,206
Estimated Outlays	19,949	37,775	33,423	19,616	6,984	1,210	252	1,143	643	-439	117,747	120,556

Continued

Congressional Budget Office  
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Continued

	By Fiscal Year, in Millions of Dollars										2012-	2012-
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2016	2021
<b>Title III. Relief for Workers and Businesses</b>												
Extend EUC and EB												
Estimated Budget Authority	27,695	16,440	0	0	0	0	0	0	0	0	44,135	44,135
Estimated Outlays	27,695	16,440	0	0	0	0	0	0	0	0	44,135	44,135
Reemployment Services												
Estimated Budget Authority	1,005	205	0	0	0	0	0	0	0	0	1,210	1,210
Estimated Outlays	804	406	0	0	0	0	0	0	0	0	1,210	1,210
Railroad Unemployment												
Estimated Budget Authority	20	5	0	0	0	0	0	0	0	0	25	25
Estimated Outlays	20	5	0	0	0	0	0	0	0	0	25	25
Reemployment NOW												
Estimated Budget Authority	4,000	0	0	0	0	0	0	0	0	0	4,000	4,000
Estimated Outlays	790	2,350	595	205	0	0	0	0	0	0	3,940	3,940
Short Time Compensation Program												
Estimated Budget Authority	31	61	65	64	60	60	61	61	62	62	281	587
Estimated Outlays	31	61	65	64	60	60	61	61	62	62	281	587
Pathways Back to Work												
Estimated Budget Authority	5,000	0	0	0	0	0	0	0	0	0	5,000	5,000
Estimated Outlays	995	2,805	875	0	0	0	0	0	0	0	4,675	4,675
Subtotal Title III												
Estimated Budget Authority	37,751	16,711	65	64	60	60	61	61	62	62	54,651	54,957
Estimated Outlays	30,335	22,067	1,535	269	60	60	61	61	62	62	54,266	54,572
Total Direct Spending												
Estimated Budget Authority	179,289	17,991	-423	-1,886	-2,791	-4,055	-3,584	-1,309	-1,858	-2,208	192,180	179,166
Estimated Outlays	50,284	59,842	34,958	19,885	7,044	1,270	313	1,204	705	-377	172,014	175,129

Notes: Components may not sum to totals because of rounding; \* = less than \$500,000.

EUC = Emergency Unemployment Compensation; EB = Extended Benefits (for unemployment compensation).

Implementing S. 1549 would also have a discretionary cost of \$62 million over the 2012-2016 period, assuming appropriation of necessary amounts, to enforce provisions of title III that would prohibit employers from discriminating against job seekers who are unemployed.

The bill would require a transfer from the general fund to the Social Security trust funds equal to the amount of revenue lost because of the payroll tax reduction. That transfer would not affect the size of the federal deficit, but it would change the mix of on- and off-budget spending. This estimate does not show the separate on- and off-budget effects for that transfer. The payment would be classified as on-budget and the receipt as off-budget.